BRIDGE FINANCING PROGRAMS

Bridging the Gap Between Non-Appropriations and Capital Funding

Americorp Financial, Inc.

With all the indecision and uncertainty today in the healthcare industry, acquiring capital equipment has become increasingly difficult. Many hospitals want and need equipment but are hampered by tight or non-existant budgets.

In response to the needs of healthcare providers, Americorp Financial, Inc. has developed our innovative Bridge Financing Programs. Collectively, these programs address a host of common budgetary and appropriations issues encountered when healthcare facilities attempt to acquire equipment. Each can be customized to meet the specific needs of any healthcare customer.

In business for over 13 years, Americorp Financial, Inc. prides itself on being a leader in the field of capital equipment leasing and financing programs for the healthcare industry. We look forward to your review of our programs and welcome any suggestions that you may have.

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Program 1
Deferred Purchase Program

The Deferred Purchase Program allows a healthcare facility to acquire the equipment they need today, while taking up to one year before having to pay for it.

The customer may choose a deferral period of up to 12 months, followed by a single payment to purchase the equipment. Also, the facility may build a conversion option into the program, which gives them the flexibility to change to another Americorp program at any time before the final payment is due.

Innovative

EXAMPLE 1

A hospital wishes to acquire a piece of equipment today. The department's budget for the following year becomes available in 10 months. The cost of the equipment is $50,000.00. Americorp would structure the program with no payments for ten months followed by one payment of $55,499.00.*

*Payment amounts are for example purposes only

EXAMPLE 2

A hospital wishes to purchase a piece of equipment costing $50,000.00. The hospital budget becomes available in 15 months. The department has money in its Operating Budget to pay a small payment each month. Americorp would write a 15 month program with low payments of $499.00 to be followed by one payment of $50,000.00.*

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Program 2
Cost Shift Program

This short-term program allows the healthcare customer to have low minimum monthly payments during the initial term of the program, followed by a final payment as the purchase. The customer may choose an initial period of up to 24 months before purchasing the equipment.

A conversion option may be built into the program, allowing the customer to change to another Americorp program at any time before the final payment is due.

Programs

Flexible

Program 3
Donation Program

The Donation Program is a fixed-term agreement with terms ranging from 6 to 60 months. The customer can either lease or rent the equipment during the financing period. At the end of the term, Amercorp will donate the equipment to the facility.

This program was developed primarily for facilities who do not anticipate capital funding for a piece of equipment that they would like to own.

EXAMPLE 3

A hospital wishes to acquire a $50,000.00 piece of equipment under a 5 year fixed rental term. Americorp would structure a 60 month agreement with monthly payments of $1,099.00. At the end of the rental term, Americorp automatically donates the equipment to the hospital.*

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Program 4
Rent-to-Own

This can be a longer-term rental program with terms ranging from 6 to 60 months. The healthcare customer can rent the equipment with a percentage of every payment made credited toward their purchase. The customer can purchase the equipment at any time after a required minimum period.

This program is designed for healthcare facilities who want the benefit of long-term payments along with the ability to purchase their equipment at any time.

EXAMPLE 4

A hospital wishes to acquire a $50,000.00 piece of equipment on a three year rent-to-own program. Americorp would write the agreement with rental payments of $1,699.00. The hospital then has the ability to purchase the equipment at any time after a minimum term of twelve months.

The amount of the purchase credit will increase each year that the hospital continues renting.

For each payment in year 1: 60%
For each payment in year 2: 80%
For each payment in year 3: 90%

For example, after 24 months, the hospital wishes to buy the equipment. They would receive a 60% credit for all payments made in year 1 and an 80% credit for all payments made in year 2. The hospital's purchase price would be as follows:

Cost of Equipment:	*$50,000.00*
Accumulated Credit	*(28,543.20)*
PurchasePrice	*$21,456.80**

*Payment amounts are for example purposes only.

EXAMPLE 5

A hospital wishes to purchase a piece of equipment costing $50,000.00. The hospital anticipates available capital funds in the next 8-14 months. Americorp would write the program with payments of $1,200.00 per month with 50% of every payment being applied to the purchase price. The hospital may rent the equipment for a maximum of two years before they must purchase the equipment in full.

If, for example, the hospital wishes to acquire the equipment after 12 months, their purchase price would be as follows:

Cost of Equipment	*$50,000.00*
50% credit for 12 past payments	*(7,200.00)*
Purchase Price	*$42,800.00**

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Program 5
Month-to-Month Rental Purchase

This program allows a healthcare facility to rent equipment on a monthly basis with no predetermined minimum term. The customer can rent the equipment for a maximum of two years before they are required to purchase it. Further, the customer may purchase the equipment at any time during the rental term for the original cost of the equipment less a credit for payments that have already been made.

This program was designed for facilities who are unsure of when they will have capital appropriations, but can currently afford a rental payment.

Program 6

Annual Payment Purchase

This program allows a medical facility to purchase equipment using annual installments for up to five years. The program is typically structured to allow the customer to own the equipment at the end of the term.

This program was designed mainly for hospitals who wish to simplify their accounting procedures by making less payments.

EXAMPLE 6

A hospital wishes to acquire a $50,000.00 piece of equipment. The hospital wishes to pay one-third of the equipment cost up front, followed by two subsequent annual payments.

Americorp would write a yearly program with a down payment of $16,666.00 followed by two annual payments of $20,499.00.*

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EXAMPLE 7

A hospital wishes to acquire a $50,000.00 piece of equipment. The hospital must also purchase disposables in order to operate the equipment. The hospital estimates that it will use at least 20 disposables on average each month. The base cost of each disposable is $300.00. The hospital wants a 36 month program that includes both the capital equipment and 20 disposables each month.

Americorp would write an agreement that commits the customer to 20 disposables each month at a price of $385.00 each. Americorp would purchase the capital equipment for $50,000.00 and place it with the customer. Americorp would forward $6,000.00 of the collected payment to the supplier each month to cover the disposables. After 36 months, the customer would own the equipment. Additional disposables could be purchased at any time directly from the supplier for $300.00.*

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Funding Options

Program 7

Disposables Upcharge Program

This is a long-term finance program in which a healthcare provider is given the use of a piece of capital equipment in exchange for agreeing to purchase a pre-determined volume of accompanying disposable products each month at an “upcharged” or inflated price. Depending on the customer’s preference, the program can be written to include automatic ownership or a purchase option at the end of the term. This program was designed for customers who wish to make one payment out of their Operating Budget to cover both their equipment and necessary disposables.

Americorp has developed a special contract which addresses both the capital equipment and the quantity and price of the accompanying disposables that will be purchased each month. Americorp typically administers the program by collecting the customer’s payment each month and forwarding a portion of this payment to the vendor who supplies the disposables. For this program to be successful, Americorp requires a commitment from both the customer *and* the equipment supplier.

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